



Department of Justice

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FORMER NATIONAL CENTURY FINANCIAL ENTERPRISES CEO RECEIVES TEN-YEAR SENTENCE FOR CONSPIRACY, WITNESS TAMPERING, OBSTRUCTION OF JUSTICE

COLUMBUS -- Lance K. Poulsen, former Chief Executive Officer of National Century Financial Enterprises (NCFE), was sentenced in United States District Court here today to ten years imprisonment and fined \$17,500 for conspiring to interfere with a witness who was going to testify for the government in a \$2.89 billion fraud trial against Poulsen and other NCFE executives.

Gregory G. Lockhart, United States Attorney for the Southern District of Ohio and Keith L. Bennett, Special Agent in Charge, Federal Bureau of Investigation, Cincinnati Field Division announced the sentence handed down today by United States District Judge Algenon L. Marbley.

Poulsen, age 65, and his personal associate, Karl A. Demmler, age 57, of Columbus were arrested October 17, 2007 and later charged in a four-count indictment alleging that they conspired to impede the testimony of Sherry Gibson, a key witness in the securities fraud trial against Poulsen and other key executives.

A United States District Court jury convicted Poulsen and Demmler on all counts on March 26, 2008 after a week-long trial.

During the trial, the jury heard several hours of recordings of meetings over a period of months between Demmler and Gibson and more than two months of intercepted wire communications between Poulsen and Demmler. The recordings revealed that the men offered Gibson money to lie and tried to influence her testimony at the NCFE fraud trial.

Demmler offered Gibson money if she would have "memory lapses" when she testified against Poulsen. The jury also heard tapes of conversations between Poulsen and Demmler discussing ways to keep the witness from testifying.

"Witness tampering attacks the integrity of the judicial process," Lockhart said. "The punishment must reflect the gravity of the crime and deter others who would consider it."

Poulsen was President, Chairman, Chief Executive Officer and an owner of Dublin, Ohio-based NCFE, one of the largest healthcare finance companies in the United States until it filed for bankruptcy in November, 2002.

After the witness tampering indictment, Poulsen's fraud trial was severed from the other NCFE defendants. Poulsen is scheduled for trial on those charges on October 1, 2008.

No sentencing date for Demmler has been set. Both men have been in custody since their arrests.

Lockhart commended the FBI agents who conducted the investigation and Assistant U.S. Attorney Doug Squires and Department of Justice Trial Attorneys Leo Wise and Nathan Dimock, who prosecuted the case.

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